GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:913
ANSWERED ON:22.11.2007
NEW FERTILIZER INVESTMENT POLICY
Mandal Shri Sanat Kumar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has been working on a new fertilizer investment policy that will throw in huge tax sops to attract investments in the fertilizer sector;

(b) if so, the details thereof;

(c) whether the new policy is expected to give momentum to the setting up of regional hubs on the lines of petro hubs;

(d) if so, the time by which this new investment policy will be implemented; and

(e) the extent to which this policy will help reducing the gap between the consumption and domestic production?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS. (SHRI B.K. HANDIQUE)

(a) to (e) The pricing policy for new and expansion projects in urea sector has been notified by the Government in January 2004. There has been no indigenous investments in the Urea sector in last 8 years. The availability of gas, which is the critical feedstock for production of urea,has been one of the major constraint in attracting investments in this sector.

In view of the projected improvement in availability of gas in future, the Government is looking into all options for finalization of a new policy for investments in urea sector,which may attract investments in Urea Sector in ail parts of the country.